IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.705 OF 2006

CONNECTED WITH

COMPANY APPLICATION NO.1061 OF 2006

In the matter of the Companies Act 1 of 1956;

And

In the matter of Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of scheme of Amalgamation of Mahashakti Silk Industries Private Limited with Valson Polyester Limited

Mahashakti Silk Industries Pvt.Ltd. .. Petitioner Company.

WITH

COMPANY PETITION NO.706 OF 2006

CONNECTED WITH

COMPANY APPLICATION NO.1062 OF 2006

In the matter of the Companies Act 1 of 1956;

And

In the matter of Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of Mahashakti Silk Industries Private Limited with Valson Polyester Limited

Valson Polyester Limited1 .. Petitioner Company

Shri.Rajesh Shah i/b.Rajesh Shah & Co. for the petitioner.
Ms.K.V.Gautam, Dy.O.L.
Shri.C.J.Joy with Shri.N.D.Sharma i/b.Pankaj Kapoor for R.D.

CORAM : S.C.DHARMADHIKARI, J.
DATE : 2ND FEBRUARY, 2007.

P.C.:

1. These petitions are under sections 391 and 394 of Companies Act, 1956. These Company Petitions seek sanction to Scheme of Amalgamation between the petitioners

in C.P.No.705 of 2006 and 706 of 2006.

2. Petitioners have set out their objects so also the purpose of evolving the scheme. It is pointed out that the scheme, if sanctioned, would result in efficient and proper management of business of companies. Petitioners have complied with the statutory provisions. They have also applied for either holding or dispensation of the concerned meetings and copies of the orders passed in that behalf are annexed. A copy of scheme is also enclosed and its salient features are pointed out. It is contended that if the scheme is sanctioned, it will be for the benefit of the Companies.

3. Since the compliance with the necessary provisions has been made and due declarations also set out, learned counsel seeks sanction to the scheme of amalgamation.

4. The notice was duly served on the Regional Director and he has filed affidavits. The R.D. has called upon the petitioners to furnish requisite details for enabling him to arrive at a satisfaction that the scheme is not prejudicial to the interest of creditors, shareholders so also contrary to the public interest. He has filed affidavit in which he has referred to the report

from ROC, copy of which is annexed to the affidavit. Further, he has referred to the objects of the scheme and the relevant provisions therein. Thereafter, he has stated on oath that the scheme is not prejudicial to the interest of creditors, shareholders and the public.

5. The O.L. has also submitted his affidavit. It has been stated on the basis of the report of C.A., who has scrutinised the books of accounts and related papers, that the scheme is not contrary to the interest of shareholders, creditors and public at large.

6. I am satisfied from a perusal of the petition and the annexures so also the aforesaid affidavits that no prejudice will be caused if the scheme as proposed by the petitioners is sanctioned.

7. Accordingly, the Company Petition No.705 of 2006 is made absolute in terms of prayer clauses (a) to (i) and Company Petition No.706 of 2006 is made absolute in terms of prayer clauses (a) to (i). Costs of R.D. and O.L. quantified at Rs.2,500/- each. Drawn up order dispensed with. All concerned to act on authenticated copy of this order and scheme.

(S.C.Dharmadhikari, J)